

COMMITTEE ON FINANCE

May 13, 2002

6:00 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Thibault.

A moment of silent prayer was observed.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Wihby, Gatsas, Guinta, Sysyn, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Messrs.: Chief Driscoll, Chief Kane, W. Robinson, D. Rooks, R. Sherman, H. Tawney, F. Thomas

Mayor Baines stated the purpose of the meeting is discussions on the 2003 municipal operating budget.

Highway Department:

Mr. Thomas stated as noted we are here tonight to present the Highway Division's operating budget for FY03. We like to present every year to give you an indication that the Department of Public Works is made up of three major divisions: the Highway Division that we're going to hear the presentation on tonight, the Building Maintenance Division...both of those divisions are funded out of the general fund with tax dollars, and the Environmental Protection Division which is an enterprise fund funded with sewer user fees. As noted, the proposed FY03 budget for these three divisions is \$38,482,020. This chart represents our FTE's (full-time equivalent employees)...in 2002 it's noted 193 employees that is made up of 183 full-time employees and an average of 10 temporary employees that we fund over the course of the year. The temporary employees are utilized to bring on, to train, to weed out, to allow them to obtain their commercial driver's licenses before they are considered to become permanent. In the Mayor's proposed 2003 budget actually we lost a full-time position. We had an accounts...a specialist position that we had vacant for some time, we were kind of holding it with the expectation of reorganizing the

administrative division...cashing in that position and maybe utilizing it to compensate some of the other employees for additional duties. Now, with the Mayor's budget it went down one position but including the Bag & Tag pay the throw into the Mayor's budget and increase the complement by two...I'll talk about that a little later when we get into Bag & Tag but we have built-in two enforcement positions into the budget, so with the Mayor's budget proposal it went down one position, up two positions with Bag & Tag for a total of 194. The last column is what we would like to see...would like to see 193 positions...giving up the account specialist but asking for an entry level facility engineer position that we had requested. As you know, we are embarking (potentially) on a \$65 million school project, we have one facility engineer, we think it's prudent to bring on another one...that effort has to be made up somewhere...if we don't have it on staff it would have to be done by the private sector and, of course, that would be more costly and charged off most likely to the bonds on the project...by the time it's all said and done you're paying two, two-and-a-half times the person's salary. So, that's our little pitch for the complement. The next chart is a graphically shot of the budget history. It's put up there to give you an idea of where we're moving to, but it's not really a good representation...FY01 notes an actual budget expenditure. There were probably some surpluses in there that aren't realized. The FY02 budget that's noted there is one that was budgeted...we are expecting to have a surplus this year as a result of the mild winter, so the comparison of '01 to '02 is not really a good comparison and then '03 shows a sizable increase in the operating area and again that's a result of Bag & Tag. You can note the capital benefits and salaries are pretty much the same going up salaries and benefits going up a little bit each year, but the big increase is in the operating costs. This is just a tabular form of what you just saw in the bar area. As you can see under FY03 there's a fairly sizable increase in operating expenses and again that's as a result of the Bag & Tag proposal. Revenues...again, you can see a sizable jump in revenues for FY03 resulting from Bag & Tag a pay as you throw program. In addition to the revenues generated from the Bag & Tag proposal there are also increased revenues as a result of increased fees, permit charges that we are recommending this year...it's been some time since we increased those fees and we felt this would be a good year to do it. The next table again is just a different presentation of what you just noted in bar form. As you can see the revenues under solid waste show a major increase as a result of the Bag & Tag Program. Budget Request – Lack of Funding...I'm not going to spend too much time on this...what we're noting up here is that our budget has gone up because of salary costs, benefit costs and contractual obligations to people like Waste Management...every year we have increases and, of course, Bag & Tag. Budget cuts...if we're faced with some additional budget cuts unfortunately the first areas that we're going to have to look at cutting is out of street resurfacing in our budget. Every \$67,000 that we cut out that line item represents a mile of resurfacing. I certainly don't recommend cutting in that area. The other area

would be in overtime costs. If you remember last year we did increase our overtime labor hours in order to expand solid waste collection in the Downtown area resulting from both the Verizon Arena and also in order to improve the conditions in the alleys Downtown. In addition, there was extra overtime allocated for additional snow removal in the Downtown area as a result of the new civic center. So, those would be some of the first areas that we would have to look at cutting back because they're new services that we're providing. I would voice caution again in cutting in those areas. I think that we've come a long way in improving the conditions of our alleys and I think it's a combination of the totter program we have going on in the Downtown and the additional collection efforts that we are making. Why "Bag & Tag"...Bag & Tag has been proposed in the Mayor's budget and I want to run by just why...you pay for only the trash that you generate and dispose of, you're not paying for the trash...under taxes everybody pays the same amount for solid waste disposal and under Bag & Tag you're only paying for what you generate. You don't pay for recycling so recycling is free. The more you recycle the less trash you're going to regenerate, the less you're going to have to pay for the disposal of your solid waste. Bag & Tag or pay as you throw is like a utility. If you shut off the lights in your house instead of running your lights you're going to have a low electric bill, well, it's same is true with Bag & Tag. If you don't generate a lot of trash or if you elect to actively recycle you're going to reduce the amount of solid waste that you have to put into these bags that you're going to buy and you're going to save on solid waste costs. On the other side of the coin if you generate a lot of trash or if you're young, single and you've got a lot of money to spend and you don't want to be burdened with recycling then you pay to dispose your trash by buying more bags. The City of Dover is one of the larger municipalities that presently have an active Bag & Tag Program, Dover's Housing Authority has determined that the feds actually that fund their program look at Bag & Tag as a utility and as such increases the amount of money that's available to the Housing Authority for their clients. In the case of Dover again their Human Services areas do provide additional assistance for some of the low-income people that they deal with. Bottom line...Bag & Tag promotes recycling. For every ton that is recycled the City saves \$58.00. Increased recycling by 10% saves approximately \$280,000. Bag & Tag develops a long-term revenue stream for the City, but before we get off that slide, there's some other information that I'd like to share with you that I think is pertinent. Over the last five years solid waste tonnage has gone up by 25%. Tonnage...the amount of trash that is put out on the City streets for collection has gone up approximately 5% every year; that equates to an increase in costs to the City over that five year period of \$802,000 as a result of yearly CPI adjustments that we have a max cap on to Waste Management and this increased tonnage. We are projecting under the Bag & Tag Program that there is going to be an additional 15% effort made in the recycling area...that equates to a savings of approximately \$420,000. Right now, the City overall does fairly well in recycling, however, we

are mandated to take certain things out of the waste stream...yard waste is no longer in the waste stream so it's a recyclable more or less...metals we can't place in the waste stream...that comes out...automotive products...that comes out...and then what is recycled by the residents of Manchester in their maroon or green buckets; that totals about 20.6% of our total waste stream. Now, that sounds fantastic, however, what the residents of Manchester are recycling in those buckets only accounts for approximately 8.8%, about 9%...not very satisfactory. However, it's a voluntary program we have, we have bi-weekly recycling and that leads up to...quite frankly, not the maximum effort that could be out there for recycling. If you tack 15% on top of that 8.8% we're up to about 23.8% which is a pretty darn good range for recycling of household type products. Right now, in the State of New Hampshire there are approximately 30 municipalities that have some form of a Bag & Tag Program...the largest two municipalities are Dover and Keene. "Bag & Tag" – Plan Description...we would be proposing to implement the plan, if it goes ahead, in the first part of October, October 7th...bag prices would be set at \$1.00 for the larger bags and \$.75 for the smaller bag. Totters in the Downtown area...we would charge per year for a totter (\$1,000 a year) and I'm sure you're saying oh boy that's a lot of money that's really going to impact the Downtown merchants. Well, the other way of looking at it is if the Downtown merchants had to hire someone like Waste Management or Pinard and had dumpsters and dumped those dumpsters two or three times a week they'd be paying a lot more than the cost of \$1,000 a year per totter. This plan would provide for weekly recycling...because of the interest we have to go to a weekly program...that of course is included in the operating costs. We calculated that the average cost of this program to an average household was approximately \$100. Again, some larger households that don't as actively recycle or have a larger family that's going to be a higher price and on the other side of the coin maybe an elderly or widow or elderly couple could be a lot less than that. As mentioned earlier, the program would provide for two full-time enforcement officers working for Public Works. They have been budgeted along with the transportation that they would need. Our first year's operating costs for the program is approximately \$1,143,121...the first year's revenues are \$2,079,304...that is a very conservative number. We purposely left that conservative because there are a lot of unknowns, a new program, etc. The first year's net revenues is \$936,183 as noted up there. However, moving along once we tighten up the program we anticipate the second year's net revenues to be approximately in the \$2 million range. The last slide is basically just a summary of the costs with the program and without the Bag & Tag Program and also revenues. As you can see the operating expenses, operating budget of the Mayor's is \$19,159,934 with revenues over \$5,567,649 and without Bag & Tag there is obviously going to be a decrease in the operating expenses by that \$1,143,121 down to \$18,016,813 and a drop in the revenues by \$2,079,304. That is the end of my formal presentation and I will be glad to try and answer any questions that you may have.

Mayor Baines stated, Frank, before we open it up for general discussions the issue of recycling...the way I calculated it and I don't know if there has been any communities that have been successful in getting around the 50% number that would result in an approximate savings of \$1 million per year.

Mr. Thomas stated the savings are right up. The studies that have been done indicate that with an active Bag & Tag Program, good education, etc. you can have anywhere from 25%-45% on the recycling side and I quite frankly don't know if that includes yard waste or not and if you tack on another 10% of that for what we're taking out the waste stream from yard waste instead of 45% you could be up to 55%. So, it does make a tremendous impact.

Mayor Baines asked are you aware of communities that have gone to mandatory recycling?

Mr. Thomas replied yes there are a lot of the smaller communities do have some kind of mandatory program; that is very difficult to police. I'm personally aware of down in Walpole, Massachusetts a relative of ours just moved into town...they have a mandatory recycling program and he didn't realize that and moving into a new house, putting out all of these trash bags they have a police officer come by...actually rip open the bags and kind of left them there with a fine on his door for improperly putting out trash; that to me is a lot more stringent than having a Bag & Tag Program or a Pay as You Throw because it's still a voluntary program...buying the bag is not voluntary, but making that effort to recycle is voluntary so if you want to make that effort you can reduce your costs, if you don't want to make the effort then you pay. Now, this relative of mine down in Walpole, Mass under a Bag & Tag Program he would have bought all of those bags at a buck a bag and he wouldn't have been fined. So, he would have had it option under that particular case.

Alderman Garrity asked do you have any ballpark ideas or something of that nature if we were to cut your budget three percent, what kind of an effect would that have?

Mr. Thomas replied one thing to keep in mind...I hate these across the board cuts because in an operation like mine we have a lot of costs that are beyond our control...Waste Management, street lighting...if you tell me I have to take three percent off my bottom line, I can't reduce my contracts, I can't reduce street lighting...so, when I apply a three percent cut that may come off the bottom line to the areas that I have control over it actually comes out to something like a six or seven percent cut. So, I urge the Board and I urge the Board all of the time when they talk percent cuts...allow me to at least take out my fixed costs that I have no

control over, allow me to calculate that three percent and then identify it. Now, to respond to you directly where would I have to make those cuts...I would have to and I'm not trying to grandstand here...I have \$300,000 in my budget for resurfacing and we purposely put resurfacing money in my budget and I tried to...and it does two things: (1) is resurfaces roads at \$67,000 a mile, but it is also a means of addressing a severe winter. You know there is never much money in contingency. By having some money in my operating budget in resurfacing I hold off in spending that until after the winter, so if I make it through the winter then I can spend that money where it should be spent on resurfacing. So, it does two things: it's like an insurance policy for me in the City and it also goes to resurfacing. However, if I have to cut I have to start looking in that area because staff provides a service...that is what our department does. I can't realistically cut back on people that are collecting the trash or building the roads or repairing the sewers. The second area that I would have to look at and I mentioned in my budget presentation is that I would have to take a look at the new overtime appropriations that have been made in my budget over the last year or so dealing directly with Downtown solid waste collection, collection of the little barrels and removal of snow in that civic center area.

Alderman Garrity asked does the Downtown waste collection come out of your overtime budget...

Mr. Thomas stated excuse me, can you say that again, I missed that.

Alderman Garrity stated you mentioned overtime and then you mentioned your Downtown waste collection, does that come out of your overtime budget?

Mr. Thomas replied yes it does because we are providing collection Downtown on both Saturdays and Sundays for the merchants and to pick up the litter as a result of activities resulting from the civic center.

Alderman Garrity stated so a three percent cut you would cut Saturday and Sunday.

Mr. Thomas stated I would take a look at the big picture, I'd probably try to take some out of resurfacing, I'd look first at going instead of a full day on Saturday and Sunday with a crew to look at a half a day. Instead of budgeting for 8 or 9 removals of snow from the Downtown area both on Elm Street and around the civic center I'd probably look at cutting that back to half of that maybe and see if I've added up to the number of cuts that you're requesting.

Alderman Garrity asked does that cover your three percent or is it something else?

Mr. Thomas replied I haven't calculated the three percent but there's \$300,000 in resurfacing...we're probably looking at another \$100,000 in the overtime area, so we're up to \$400,000 and then we'd have to continue moving from there I guess.

Alderman Shea stated you did turn in some money to the Welfare Department...how much was that, do you recall?

Mr. Thomas replied I believe it was around \$170,000 and we have a fairly good surplus.

Alderman Shea stated a surplus of how much this year because of the lack of snow fall and sand, how much?

Mr. Thomas replied it's approximately \$400,000.

Alderman Shea stated that would be \$570,000...let me go onto a different subject. According to what you have written here with the Bag & Tag...the first year our net revenues you estimate \$936,183...on the next page you have indicated that without the Bag & Tag it would be \$2079,304...there's a little discrepancy...maybe I'm not.

Mr. Thomas stated if you take a look at this slide, Alderman, the fourth line up from the bottom it notes first year operating costs \$1,143,121...that's the cost of running the program, the additional people we need, buying the bags, distributing the bags, etc. and you can see that the first year's revenues are in fact \$2,079,304 but when you're looking at an increased operating costs and revenues what is the net benefit of this program to the City the first year; that's that \$936,183.

Alderman Shea stated basically what you're indicating is that your revenue loss would be \$2 million without the Bag & Tag but your added amount toward your employees because you wouldn't have to hire would drop from \$19 million to \$18 million, so the net gain is about \$936,000.

Mr. Thomas stated the net impact of Bag & Tag is \$936,183.

Mayor Baines stated a follow-up to Alderman Garrity's scenario...we do have bad winters occasionally here...what would happen if that money had been cut out of your budget and we did have a more traditional winter than we had this past year.

Mr. Thomas stated if my budget is cut and I don't have that resurfacing in it as I mentioned it's like an insurance policy, I have to go somewhere for that \$300,000 shortfall and that would be to the Board of Mayor and Aldermen. Of course, we would come to you before we were in the red...we would have to come to the

Board and the Board would either have to take a look at contingency or look at having to cut the other department's budgets similar to what happened with the Welfare problem.

Alderman Shea asked could you estimate the cost that it's costing the taxpayers for the Highway Department to clean in and around the Verizon Wireless Arena. How much is that costing the taxpayers? In other words, you're doing that after each event or during a snow storm, what is that costing the City since we're not getting anything back from that particular facility...we're providing that service, I assume and they're not paying the City back for that?

Mr. Thomas replied I seem to remember and we're looking it up now...I believe this year's budget went up around \$170,000...

Alderman Shea stated it's costing the City \$170,000 roughly to do the work around the civic center.

Mr. Thomas replied not that much. The first year costs we bought an additional sidewalk tractor, so that now should be spread out over at least a seven year period until that is replaced. We also spent, if I remember correctly, \$50,000 for containers...to answer your question on at least one part...we have increased the amount of overtime by about \$85,000 as a result of the civic center...that is with additional Downtown...I take that back, it's \$42,400 for additional overtime.

Alderman Shea stated that is for cleaning up after a snow storm or taking any kind of garbage/trash and so forth that they generate.

Mr. Thomas replied that is for solid waste pickup Downtown and then we have additional budgeted for overtime for snow removal and that would be about another \$45,000 for snow pick up. But, again, like this year we didn't spend any of that money for the overtime allocated for snow pick around the civic center because there wasn't a need for it. But, I don't have all of the breakdown of that information but we will be glad to summarize it in detail for you, Alderman.

Alderman Shea stated my point is that if the choice were made between taxpayers having their streets plowed and people who run the Verizon and obviously it's contributing to the Downtown, but they are not a taxpaying enterprise...that's a decision really that has to be carefully examined because I have constituents that want streets paved and if you're taking money and paying overtime to workers to work to clean up an area where it's not tax generating it becomes difficult for me to say look you can't get your street plowed because the money is going to be used to take care of problems in and around the Verizon Wireless Arena. So, that's a dilemma I guess but what I'm saying is that obviously we should look to the

people who are paying the taxes and servicing their needs if, in fact, it has to be a judgment made regarding how much money is available in your budget.

Mr. Thomas stated again I think that is what I stated that the two first areas that I would have to look at cutting would be resurfacing and overtime in relation to some of the new activities in the Downtown.

Alderman Thibault stated my biggest concern is that...in my area there is an awful lot of two, three and four and six apartment buildings...I can just see by what we're saying here as far as a Bag & Tag that a lot of these owners are going to have to start opening up garbage bags and recycling those garbage bags in order to not to have to pay this dollar per bag...how do you control a tenant and what he puts in his bag which we're already bagging most of our garbage now, right. So, the landlord undoubtedly will have to go out and inspect every one of these bags and take the recyclables out.

Mr. Thomas stated no, not at all. First of all, the bags could be a bright green color and any bag that's placed out along the curb that is not in a light green bag we would not pick up; that would be first. As I mentioned recycling would be voluntary. So, we're not going to be ripping open bags because we quite frankly don't care. If you don't recycle...

Alderman Thibault stated not you, Frank, but the landlord if he is going to try to save money and try to get as much of it recycled as possible and his tenants are not, if you will, concerned about it he is going to have to be concerned or he's going to pay a lot of money.

Mr. Thomas stated the tenants would be the ones that are buying the bags, not the landlord. Maybe supervision of the landlord would have to do is make sure that there isn't a lot of non-acceptable bags out there, but no, it would be the burden of the tenant and that's one of the benefits of the program because right now the tenant doesn't pay anything towards solid waste, it's the property owner.

Alderman Thibault asked, Frank, are they going to be different colored bags...if a person has 20 apartments...let's assume a big, major building that has 20 apartments how do you know which one put the bag out there that isn't recycled.

Mr. Thomas replied if it's not one of the approved bags then the landlord could open that bag and potentially get a sticker off some junk mail or one of our enforcement police would be there, it would still be the landlord obligation to police his own property as he does now with proper trash containers, etc.

Alderman Guinta stated I have a quick curiosity question...before the civic center did you have to plow in that area.

Mr. Thomas replied yes. Obviously, we plowed...the additional cost that we were talking about...as you know we do pick up snow in the Downtown along Elm Street when it builds up. Part of what was budgeted was to pick up snow, not on the side of the street of the civic center but in that general area of lake Avenue, Granite Street, Willow Street...similar to the way we do it in the Downtown area so people can park, get to their meters, get on the sidewalks to move to the civic center.

Alderman Guinta stated so we're not talking about an exorbitant of additional space that you have to plow or are we?

Mr. Thomas stated the streets are plowed, it's the picking up of the snow...that is what this cost is...

Mayor Baines interjected it's for the pedestrians to keep the pedestrian walkways around the meters, people can walk free...am I correct?

Mr. Thomas replied that is correct.

Alderman Guinta stated but there were walkways over in that area prior to the civic center being built.

Mr. Thomas stated but we never removed the snow banks.

Alderman Guinta stated so before it stayed, now it's removed. So, that's the additional cost we're talking about. How much do you spend now on trash removal, do you have an idea?

Mr. Thomas replied yes...this year's budget for solid waste services is \$4,052,274; that includes recycling at \$426,000 more or less, yard waste collection at \$469,000 again more or less, transfer and disposal of solid waste at approximately \$2.6 million and the operation of our drop off facility on Dunbarton Road for \$550,000 a year.

Alderman Guinta in reference to the \$426,000 represented what recycling?

Mr. Thomas replied the recycling contract.

Alderman Guinta stated so out of those four numbers that looks like it comes out to about \$4 million, how much of that...if we were to implement Bag & Tag would we actually save...the amount of money we would actually save?

Mr. Thomas replied you would save 15%...

Mayor Baines interjected you said \$450,000 approximately.

Mr. Thomas stated approximately \$450,000 and it would come out of the transfer and disposal cost.

Alderman Guinta stated so when the budget was put together for this Bag & Tag item was the budget reduced by \$450,000?

Mr. Thomas replied that is correct.

Alderman Guinta stated so the increase in your budget represents, I would assume, salaries...

Mr. Thomas stated we have to go to a weekly recycling program...that's an additional cost of \$480,000...we have a complete breakdown budget which I would be glad to furnish the Board of Mayor and Aldermen, but there are increased costs...weekly recycling program is \$480,000...as I mentioned there are new employees with vehicles...we have to buy the bags, we have to pay both the retailer and the wholesale company a portion of the bag price that we collect.

Mayor Baines stated just to emphasize again for the point of educating the people at home that are watching this if we could increase recycling to 50% we would save \$1 million per year, \$1 million per year.

Alderman Guinta stated the total price of \$1,000 per year that's per building or per company.

Mr. Thomas replied per totter. So, if a person has a totter in the Downtown area right now that totter is getting emptied seven days a week and so for seven days a week, 52 weeks a year that total is going to cost that company/commercial establishment \$1,000.

Alderman Guinta asked how often would you be totting, it depends on?

Mr. Thomas replied we are now collecting those totters, collecting trash in the Downtown area seven days a week, so theoretically that totter could be full and emptied seven days a week, 52 weeks a year for that \$1,000.

Alderman Guinta asked is that \$1,000 a year in addition to the price of the bag.

Mr. Thomas replied no. In the Downtown area it would just be the totters...they wouldn't have the bags at all.

Alderman Guinta stated rather than have the bag itself you have the totter. I guess my concern is if we are saving money why don't we see it reflected in either this budget or the overall budget and I don't know if that's a question for Frank...

Mr. Thomas stated you are seeing a savings in the fact that you're generating \$936,000 in additional revenue.

Alderman Lopez stated I think we can really talk about this Bag & Tag all night but back six years ago, Frank, when you brought that gentleman up here from Dover he was talking about a Bag & Tag along with yourself for \$1.50 or \$.60 at that time and right now Dover is at \$1.10 on the bag...and you say you're going to go to a \$1.00 and \$.75...how are you going to get this stuff cheaper than Dover?

Mr. Thomas replied the price of the bag is set on what you're trying to accomplish by the program. Back six years ago the City was trying to cover all of their solid waste costs. Basically, develop an enterprise fund so that what was generated by revenues would offset a hundred percent of the solid waste costs and that is why there was just a high increase, a high price for those bag prices. We are not, under this proposal here, trying to offset all solid waste costs. We're trying to set a reasonable bag price and \$.75 for the smaller bag is a reasonable price compared to what other municipalities are charging because they're charging somewhere between \$1.00 and \$1.25. What we're trying to do is establish a long-term revenue stream, we're not trying to fund all solid waste costs but to generate a new revenue stream for the City of Manchester and that's why the prices of the bag are set at that level. Dover, quite frankly, I'm not sure if Dover is trying to offset all their solid waste costs or what services they provide. I don't know if they have a contracted yard waste collection services, you may have to bring your yard waste to a drop off area up at Dover, so they may only be trying to cover their residential solid waste costs for disposal out of this program and that's why their price is \$1.25.

Mayor Baines interjected theoretically we could charge \$.10 a bag to get people to recycle...that's really if you decided to go to a program you could do whatever you wanted in terms of costs, it would just have to be the bag and try to encourage people to recycle.

Alderman Lopez stated along the same line, the same problems we're discussing now we discussed six years ago and we're talking about MHA having special containers and everything else and the three-deckers and two-deckers and the problem Downtown with the business people and everything and I know there's an educational process in what you're saying here and it won't start until October, but wouldn't it be wiser to do an educational process in the long run without the Bag & Tag and also one of the other questions in reference to that that was asked at that time was why isn't the enterprise system more favorable looking upon this or are there national statistics that prove forget the 50%, that's pretty difficult.

Mayor Baines stated talk about the education part first because Frank and I have talked about that and just talk about education first.

Mr. Thomas stated education is an important key of any type of recycling program. Right now, our recycling coordinator that has left...that was a main function of his job was trying to get into schools and educate students to go home and force their parents to recycle or attend Earth Day functions to get the word out that recycling is good. But, that only goes so far because you can see that we haven't been successful with an 8.8% recycling rate from the residential area. Now, focusing more Bag & Tag...obviously, in a perfect world if you can get out there and generate support, educate the public to the benefits of recycling, Bag & Tag, the fact that you're paying for Bag & Tag as a utility so that you are basically setting your own destiny by making the effort to recycle, paying less and let's face it recycling is good for the environment and that all fits together, so yes if it was a perfect world and you got out there and promoted Bag & Tag and got everybody to hold hands and sing it would be great. So, I support that. Unfortunately, we're trying to develop new revenue streams and this is a new revenue stream for the long haul.

Alderman Lopez stated did I read something that you're going to have two enforcement people running around the City enforcing this. How is that going to work, how would you work that, what kind of authority would they have?

Mr. Thomas replied we would have to develop some ordinances to go along with it. We wouldn't be inventing the wheel because these other municipalities have ordinances that pertain to something like this. We may have to fold it under health like we are right now as far as enforcement, but it's not the first time it's been done and we know that there obviously has got to be a need for enforcement especially in the multi-family areas and part of the enforcement is going to be education. It's not like we're going to be going out with these two people with clubs to club somebody that makes a mistake. Part of it...especially initially would be to maybe make some arrangements to take some of the material and give them a handout noting the proper way to dispose of their solid waste in the future.

Find out if they need containers for recycling so we'd be working with them and that's one of the reasons, quite frankly, why the revenues are so conservative the first year...we want to be flexible and we certainly don't want to project a higher revenue the first year and give away the store.

Alderman Lopez stated I recollect from the minutes of six years ago...didn't it take Dover almost four years of educational process before it really got started into this Bag & Tag or am I wrong.

Mr. Thomas stated I really don't have an answer for that question, I'd be glad to call Dover. I really don't remember how they worked their way into the Bag & Tag Program...it could have been part of their recycling efforts to educate the public and what not, but I really don't know, Alderman.

Alderman Lopez stated you said we get 8% on recycling, is that what you said.

Mr. Thomas stated 8.8% on residential recycling from those bins that are put out.

Alderman Lopez stated when we indicated on recycling before, when we started recycling I think the figure was up to 25-30% of recycling in the City.

Mr. Thomas stated the total amount of recycling that we do in the City is 20.6% and that's because we are mandated to take yard waste out of the waste stream so that we look at it that that yard waste is being recycled...metals...that's out of the waste stream, automotive products...that's out of the waste stream. So, when you take a look at everything that we've taken out of the waste stream it's 20.6%; that 20.6% doesn't go to the Rochester landfill where the rest of our trash goes, but the point we were trying to make was 8.8% recycling rate for a voluntary program is not good.

Mayor Baines asked could we be facing restrictions in the future through laws?

Mr. Thomas replied the State has developed the guidelines that you're suppose to achieve, you're supposed to be working to achieve. It's not mandatory right now, but who knows what could happen in the future...there could be mandatory guidelines imposed on all municipalities.

Alderman DeVries stated to follow-up quickly on Alderman Lopez's line of questioning...when did the Downtown area come on line for recycling wasn't that later than the rest of the residential neighborhoods.

Mr. Thomas replied it hasn't.

Alderman DeVries stated it does not at all...so, does that factor into the percentages that you're presenting the 20.6 total going in from the waste stream?

Mr. Thomas replied yes, the 8.8%...again, as I had mentioned is from the residential component that has the containers out there the green and the maroon.

Alderman DeVries asked have we looked at a way to bring the Downtown in for some sort of recycling program?

Mr. Thomas replied as part of this Bag & Tag Program what we may do...we've talked about it and again that's why I've kept the revenues down low the first year was that we may have to, we may want to put out a two-man truck to basically just pick up cardboard in the Downtown area. We've tried to get companies interested in coming in and collecting the cardboard but they've all failed...there's not enough interest there on the part of the private sector, so that may be something that we would want to do because the cardboard doesn't fit in the totters and we're going to be charging for the use of the totters, so there's going to be cardboard that is just sitting there, so we're either going to have to pick it up and throw it in the landfill or pick it up and bring to a place to be recycled. So, we may have some type of program down there.

Alderman DeVries in reference to the multiplies in your proposed budget that you used for your salary increases, what did you use, a 5% number or?

Mr. Thomas replied actually the salary numbers all came from HR. As far as increases in our overtime, I think I used 3%.

Alderman DeVries asked was it 19% that you used for insurance?

Mayor Baines replied all of those were from the City, it was 18...given to us by the Blues.

Alderman DeVries in reference to the facilities engineer for the Design/Build Program can you break that out, the numbers for cost on that position or have you worked that?

Mr. Thomas stated if I remember correctly the salary was \$42,078 and benefits at \$14,727 for a total of \$56,805. However, when we did include this as a possible chargeback to the School District it was not approved.

Alderman DeVries stated the school did not approve the position.

Mr. Thomas replied did not approve the position as a chargeback.

Alderman DeVries stated that is essential to the Design/Build Program.

Mr. Thomas stated as I mentioned we feel it is important because when you're looking at potentially \$65 million worth of construction over a short period of time to have one facilities engineer overseeing all of the activities, coordinating all of the consultants and inspectors and what not that's a daunting task. Now, if you don't have that position and pay \$56,000 a year you're going to go out and hire a consultant and probably pay two and a half times that amount and then if you tack it onto the bond in the long run instead of \$56,000 you might be paying \$100,000 and then over the life of the bond it's two times or whatever you pay. So, that is why we proposed it and felt it was very cost-effective to bring on that additional person, however, I think we were able to convince the Mayor but we weren't able to convince the School Board.

Alderman Wihby stated on page 5 where it says the expense budget...\$19,159,934 when you were asked by Alderman Garrity what a 3% cut meant you mentioned there's contracts...you usually back those out...where is that number on that page and what is it? Is it under operating?

Mr. Thomas stated I don't know if you have a copy of the HTE operating budget, but contract line item...

Alderman Wihby stated I'm just looking for the total contract number that you would normally take out of the total.

Mr. Thomas asked with Bag & Tag in or with Bag & Tag out.

Alderman Wihby stated the \$19,159,934 has Bag & Tag in it, so...

Mr. Thomas stated contracts under that scenario is \$5,601,736.

Alderman Wihby stated why don't you give it to me the other way too.

Mr. Thomas stated seeing that you're adding you can add street lighting \$998,797.

Alderman Wihby stated those two numbers are what you would subtract from your total and what's your total against the \$18.016...without the Bag & Tag...\$998... would be the same right?

Mr. Thomas replied \$4,458,615...what's in the HTE report was the wish request budget which has weekly recycling in it, so that's a high end number...under the

title FY03 Department Request Budget...so, if you were looking at the maintenance budget that doesn't appear on HTE Contracts was \$4,458,615.

Alderman Wihby stated going back to that \$19.159 number because basically if you add the \$5.6 and the million \$6.6 would come off the \$19.159. So, if you use that number could you give us something in writing on what a...so, the \$19.159 minus those two numbers...basically, \$13 million whatever it adds up to what a 2, 3, and 4 percent decrease would mean to you.

Mr. Thomas stated certainly.

Alderman Wihby stated another number is the \$5,380,406 in the Building Maintenance Division, is that the school stuff, is that the chargeback...what is that?

Mr. Thomas replied that is the Mayor's budget and out of that total the School District has approved in chargebacks \$4,705,345.

Alderman Wihby stated so the \$5.3 is no longer \$5.3 it's \$4.7.

Mr. Thomas stated \$5.38 is the correct budget that was allocated by the Mayor for Building Maintenance.

Alderman Wihby stated and of that \$4.7 is for schools.

Mr. Thomas stated the \$4.7 is the portion of that total that gets charged to the schools and the remaining part gets charged to other City facilities that aren't school related.

Alderman Wihby stated so the remaining part which is \$600,000 you'd have to give us that scenario....a 2, 3, and 4 percent off of that too, all right.

Mr. Thomas stated one thing I should mention while we're into the Building Maintenance Division which we were planning on talking about is that there is a new information station or whatever you call it that's being proposed over at Victory Park...that needs to be cleaned...that hasn't been included in anybody's budget, so when I identify the cuts, how about if I add the \$11,000 or \$12,000 we need to clean that.

Alderman Wihby stated the \$4.7 is the number that schools agreed to for chargebacks from all Highway projects?

Mr. Thomas stated on the Highway Department budget side I believe the approved chargebacks to the schools was \$298,000 and that's for collecting their dumpsters...

Alderman Wihby stated that's in the \$19 million number.

Mr. Thomas stated it is in the \$19 million but it appears as a revenue in the Highway budget and the number is \$298,845 which it appears as a chargeback but it appears on our revenue sheet...

Alderman Wihby stated it shows up on your expense side, so you're going to be cutting 2, 3 and 4 percent off of that too, if it's in your expense side. So, you probably want to take that out of there too because that is really.

Mr. Thomas asked how about benefits? Could we take that out too?

Alderman Wihby replied no. So, you can take the \$298,000 because that is really not your expense, but what about...this year the chargebacks are they paying the full chargeback number that you had used in our budget, the schools.

Mr. Thomas stated they have been paying...

Alderman Wihby stated we met today and they said something about you guys had told them it was \$150,000 less.

Mr. Thomas stated on the Highway side or the Building Maintenance side...

Alderman Wihby stated they said "you guys" one of you guys they said...I forget which one they said they talked to said that they were carrying \$150,000 too much so they reduced their budget \$150,000 from you guys.

Mr. Thomas stated they have told us not to do any additional sweeping of the school playground areas and parking lots.

Alderman Wihby stated was that the \$150,000, the number you removed?

Mr. Thomas stated no that wasn't \$150,000...I'm not aware of any directive to reduce chargebacks by \$150,000.

Alderman Wihby stated they said they had permission...that you guys agreed that the \$150,000 was okay for them to reduce in their budget. Didn't you hear that, Mayor?

Mayor Baines replied I missed that. Randy...

Alderman Wihby stated you know when I was talking to them about the number of change and they had the \$225,000 bond into the total and then I asked them where they found the money...

Mayor Baines stated that was on the bond discussion.

Mr. Sherman stated on the April expense report they're showing that they've got a balance left in the chargebacks, but I don't recall that they said it was specifically for schools.

Alderman Wihby asked could you find that out and get back to us before Tuesday, actually the meeting's tomorrow, for tomorrow. If you okayed that number or what that number...they're planning on paying you \$150,000 less this year on that number, on this year's budget.

Mr. Thomas stated I'm positive they haven't talked to be about \$150,000...

Alderman Wihby asked can you check with Ron tomorrow and find out because they're coming forward tomorrow, but I know that they said that they found an error and then they talked to you guys and you guys approved \$150,000 less, so they reduced their chargeback number by \$150,000 is the way I took it.

Mr. Thomas stated on the Highway side I'm sure it's not \$150,000...maybe...did they say Highway side or Building Maintenance?

Alderman Wihby replied maybe between the both.

Mr. Thomas stated possibly because the only two services that the Highway side provides is the sweeping and the trash collection and I'm sure that they didn't cut back the trash collection and the sweeping is no where near \$150,000.

Alderman Wihby in reference to the "other" side asked you don't know?

Mr. Thomas replied the "other" side we're talking millions of dollars there... Building Maintenance...

Alderman Wihby stated they wouldn't have talked to you guys to make sure the number was right.

Mr. Thomas stated I would have thought so, yes. So, let us check and we'll get back to you tomorrow.

Alderman Wihby stated I just want to make sure that we know that we're not getting something. So, can you prepare that a 2, 3, and 4 percent decrease on those line items for those two items.

Mr. Thomas replied sure.

Alderman Gatsas stated the additional person that you were going to add for the Design/Build was how much.

Mr. Thomas replied with benefits \$56,000 approximately.

Alderman Gatsas stated maybe slowly you could go through that again and what the School Department told you. What do you think using this person effectively would save the taxpayers of the City in a...let's use a very...let's say a \$60 million project.

Mr. Thomas stated it's difficult to say what the total impact could be. If that person picks up a potential mistake in his review or something could be sizable but if you take a look at the \$56,000 a year...that's a year's worth of salary for somebody with the benefits. Now, going out into the private sector to hire a consultant firm or an architect to make up for those lost hours you're probably paying maybe 1.9%, let's say 2%...two times what the salary of the private sector would be...they're probably paying more, so say \$60,000 times two that's \$120,000 you're paying (potentially) the private sector to assume those duties and then as I mentioned instead of paying for it out of general funds on a yearly basis that professional services most likely will be charged to the bond whatever is utilized to fund these improvements and, of course, as you know by the time you finish paying the bond off it's a lot more than that \$120,000.

Alderman Gatsas stated so what you're saying is the School Department was not in favor of accepting that cost.

Mr. Thomas stated that is correct.

Alderman Gatsas asked did they give you a particular reason why?

Mr. Thomas replied they basically told us that they're maintaining status quo so they did not approve any proposed enhancements to say the ServiceMaster contract that the Mayor was originally considering and they did not improve any new positions both at Building Maintenance and this position at Highway.

Alderman Gatsas stated if the City wanted to see a savings in a \$60 million project then the taxpayers would have to pick it up and schools is just looking at it as something that's not very important.

Mayor Baines asked do you want to answer that because I think I have a response to that one.

Mr. Thomas stated I think the way they're looking at it is that they have a budget problem and that they are not going to be looking at adding to professional staff if it means teachers going.

Mayor Baines stated they're concerned about their operational budget, with the budget that I have proposed and I think that's why they're not adding anything beyond what they are contractually obligated to have. I think they think it's important, but they just don't feel they can add anything within the constraints of the budget.

Alderman Gatsas stated I keep forgetting...I thought this was the Aldermen's budget, but you keep on interjecting...

Mayor Baines stated it's the Board of Mayor and Aldermen, that's the way it works, Alderman.

Alderman Gatsas stated two year's previous the Chairman of the Board ran these meetings is that not so, it wasn't.

Mayor Baines stated sometimes and Alderman O'Neil is going to Chair tonight because I have to go to a School Board meeting.

Alderman Gatsas stated I can remember one distinguished night that you did...

Mayor Baines stated the Mayor is the Chairman of the Finance Committee so please proceed.

Alderman Gatsas stated the difference between your '01 budget and benefits to '02 on page 5 of the handout that you gave us there is a 20% increase roughly, the increase between '02 and '03 is a 5% increase roughly, a little bit more than 5%... can you tell me with what we've been hearing about a minimum of 20% on benefits.

Mr. Thomas replied I can't. Again, the benefit numbers that have been included in...

Alderman Gatsas stated, your Honor, maybe you can give us...seeing that that's your budget number, can you give us an answer.

Mayor Baines asked, Wayne, did you follow that.

Mr. Robinson replied I think what happened in Frank's slide he included pension payroll in his benefit number.

Mr. Thomas stated no, we took that out, Wayne.

Mr. Robinson stated oh, you took it out, okay. So, you're question again is what.

Alderman Gatsas stated my question again is that the '02 to '03 number in benefits is a 5% increase and from what I understand health insurance is at least 20%.

Mr. Robinson stated you may want to refer to the individual line items.

Alderman Gatsas stated let's just look at '01 to '02...that's a 20% increase in Frank's scale and that's about the increase we had, I believe, from the year before.

Mr. Robinson stated part of the increase is in Worker's Comp...from '02 to '03 went down \$126,000.

Alderman Gatsas asked is there a particular reason why you only used a number that was of actual date to owe to March.

Mr. Robinson stated to actuals...that was just the cut off point.

Alderman Gatsas stated no, what I'm saying is why would you decrease the number for Worker's Comp by \$126,000...

Mr. Robinson stated that would have to be answered by Risk Management, I can't.

Mayor Baines stated the number was given to us by Risk Management.

Alderman Gatsas stated then I guess we need Risk Management here to give us some answers.

Mayor Baines stated then we will get the answer for you.

Alderman Gatsas stated I know, your Honor, but if we're going to question department heads on their budgets I would think that the numbers that they are giving us is something that they can look at and reflect to. Now, if not, then if it's

your budgeted number that they're using then I would assume you should be able to give us an answer.

Mayor Baines stated I think we just said we're going to get back to you with the answer to that.

Alderman Gatsas stated so we're going to go through this with all of the other departments that are coming before us, I would assume.

Mayor Baines reiterated we are going to get back to you with the answer on that particular question.

Alderman O'Neil stated, Frank, I'd just like to talk a little bit about the average household and maybe I'm wrong, I think two bags is a little low. I think the average household would be somewhere in the area of four bags minimum, so would it be safe to say that if two bags or roughly a \$100 a year then four bags would be about \$200 a year.

Mr. Thomas replied that is correct but again I think where you have to back up is picture your own trash disposal and now picture what a very active recycling program effort on your part and if you're generating four bags now I'd feel pretty confident that you could get it down close to two and a half.

Alderman O'Neil stated I share a similar concern that Alderman Thibault touched on earlier about the many multi-tenement buildings we have in the City and do you know or is it possible to find out, is there a city comparable to Manchester that has recycling programs because anything I've ever read is always cities smaller than Manchester and are there cities out there similar in population, similar in housing makeup meaning many multi-family houses as well as ballpark...same amount of waste.

Mr. Thomas replied Worcester, Massachusetts has a Bag & Tag Program. Actually, back six years ago...five or six years ago when it was last proposed city staff did go down and talk to them down there regarding the program. We haven't touched basis with them recently, but we can and we can try to get some more information. At the time, they were charging around \$.60 a bag. As you know, Worcester has quite a few multi-families, I have to admit...I don't remember how they were addressing their commercial establishments, but we can do some additional research for you.

Alderman O'Neil asked would it be possible to do that...get a little research on Worcester and I know that Alderman Lopez brought up a point earlier that I wasn't aware of that it took the City of Dover almost four years to implement

theirs...I'd be just curious when Worcester decided to implement that and how long it took for them to get up and running. My last question has to do with this facilities engineer position because I, too, am a little concerned. We're asking you folks to do a significant amount of construction work without giving you an additional body to do it and I guess I look at it that we're going to pay one way or the other. We're either going to pay through an in-house staff person or we're going to pay through having a consultant do that work for us and to me it certainly is opportunities for cost savings to have it done in-house as well as the efficiency and I think that what we will see is a better project and a better process if we have an additional in-house person, so do I understand right that there's really three ways to address this. There's either an in-house engineer that's paid for through your operating budget; secondly, paid for through chargebacks to schools; or thirdly, hire a consultant.

Mr. Thomas stated that is correct.

Alderman O'Neil stated if I understand your comments with regard to the chargeback to schools that could be a little higher cost and just out of your operating budget or maybe I understood your comments.

Mr. Thomas stated the chargeback would be the actual cost of that person's salary based on the time that he spends on working on school projects which we anticipated will be pretty much 100%.

Alderman O'Neil stated so that would be the ideal way to do this would be the chargeback through schools.

Mr. Thomas stated that is correct but that was denied.

Alderman Thibault stated before we go out and set a price on Bag & Tag I would like to find out why we can't, right away, go into a mandatory recycling program and get the word out to the people that we are as of thirty (30) days from now it's going to be mandatory recycling and by October of this year look and see where we're at with that then and if we're brought up our recycling to 20-25% well maybe there won't be any need for the Bag & Tag. Why couldn't we do that rather than just hit the people right off the bat and say you're going to get a Bag & Tag. I think that with the increases that have happened this year and with the assessment evaluation last year, the people out there are really going to get hit real bad with this and I wonder if there's a way to letting them know what's going to be happening before we just drop it on them and say as of October you're going to pay a dollar or \$1.50 a bag or whatever the price might be that we said. I think it's wrong, I think that the people should be made aware (right away) as quick as we

can that there will be a mandatory recycling program implemented in the City of Manchester and those that do not recycle will have to pay a Bag & Tag.

Mr. Thomas stated I can't recommend to the Board a mandatory recycling program. I use that example of my relative's down in Massachusetts that are involved with a mandatory program...that's when I'm afraid that you're going to be getting into a lot more of enforcement, ripping open bags, trying to track back why did somebody put the milk carton in the bag instead of recycling it. I think it's going to require a lot more enforcement, a lot more fines and penalties and there is a cost connected to that too because you still need to have a weekly recycling program at approximately \$480,000 additional in operating costs, so with a mandatory program the enforcement is there, I think it is going to be very, very difficult where with the Bag & Tag Program if you don't want to recycle you don't need to recycle you just buy more bags, so it's more flexible.

Alderman Thibault stated I just think it's a much better approach to the people of the City to understand that if they don't recycle they're going to pay that dollar a bag and I think...at this point, I feel that the people are just going to get this dropped on them without having any pre-knowledge as to what was going to happen. I think that if we made it a mandatory thing now they will see that by October if they're not doing it they're going to have to pay and the landlord (whoever he might be) will see that he ends up with six bags from one of these apartments...he's going to be able to tell them either you change or you're going to pay, that's it. We were talking about education before, well I think we're educating people with a closed book, let's open the book up and show them what we have to do here.

Alderman Shea stated Alderman Wihby indicated that you'd come back with a one, two or three or two, three and four beyond your fixed costs, is that correct.

Mr. Thomas replied that is correct.

Alderman Lopez stated you mentioned the \$56,000 for the design/build and I know that I want to get into it and maybe, Mayor, you could help out in this because I went to a School Board Site meeting and saw a lot of...I don't want to say a lot of secret information, but can't give out this information because they're going into design/build and stuff like that and then we see in the paper...I was wondering if your office along with Frank if we couldn't get something in a sequence of events that's going to happen on this design/build so that as we go along this budget process so we can see what is going to be in the future for us to make decisions on, is that possible?

Mayor Baines replied yes.

Mr. Thomas replied certainly we can get that to the Board.

Alderman O'Neil asked I don't know, would a motion be appropriate to ask the School Board to revisit that issue again?

Mayor Baines replied again we're in the Committee on Finance, so I think the message we can deliver, if I get over there tonight is that we'd like that reconsidered because of potential cost savings, but again it's an operational budget issue. Obviously, they're hedging on how they're going to operate the schools next year. Is there any other questions for the Highway Department? Okay, thank you very much, Frank.

Mayor Baines recessed the meeting for a period of approximately five minutes.

In the absence of Mayor Baines who departed to attend a meeting of the Board of School Committee, Chairman O'Neil called the meeting back to order.

Chairman O'Neil stated, Chief, if you'll bear with us a moment there's been some discussion...before we let you make your presentation...a little bit of confusion as to what Frank is going to report back with. We've heard three, four, five, we've heard two, three, four percent...what's the number you would like Highway and any other departments to report back with, is there a consensus?

Chairman O'Neil stated two, three, four and five percent cuts...what that does. Is that based on fixed numbers or on anything?

Alderman Wihby stated I think the only one that used fixed numbers...because of the contracts was Frank. I think everybody else always took the total from their budget anyway.

Alderman Garrity stated we've had schools here already, but I think we should also request what two, three, four and five means for them too.

Chairman O'Neil stated okay we'll do that.

Police Department:

Chairman O'Neil stated, Chief, you'll probably be coming back at some point, but you're certainly welcome to proceed this evening.

Chief Driscoll stated thank you, Mr. Chairman, I'd like to introduce the people that I have here with me tonight. Each one of them has played a significant role in putting out presentation together and trying to manage the finances of the Police Department.

Alderman Gatsas asked do you want to have them report back with the cuts.

Chairman O'Neil replied I think the consensus was...out of courtesy let them make their presentations tonight even though they know...Chief are you still comfortable going forward knowing that the Board is going to ask you for some scenarios based on budget cuts.

Chief Driscoll replied absolutely. We'd like the opportunity to go forward.

Chairman O'Neil stated that's fine, proceed.

Chief Driscoll stated I would like to introduce the people I've brought with me tonight. To my left is Dawna Rooks...she worked real hard and really crunches the numbers for us. To my right, Deputy Chief Dale Robinson responsible for the budget area in administration, to his right an individual who you've probably haven't met before he's a new employee, he's worked for us for about two months...his name is Steve Hoeft our new Business Service Officer who replaced Paul Beaudoin. Behind us is Deputy Chief Bob Duffy in charge of the Patrol Division and Rachel Page who worked real hard to put the presentation together. This is the slim down, quick version of the presentation we made to the Mayor. It talks about three things. Basically, it talks about a modest increase of 4.5%, it talks about our need for staffing of uniformed police officers and it talks about vehicles, our shortage of police cars. Very quickly, we always come to the Board with public safety in mind. We are interested in providing the community, certainly, with a safe community so that folks can remain safe in their homes and their businesses, on the roadways and certainly in the schools. We try to do that in the most professional manner we can with our accreditation standards in mind and that is this year's goal also. The slide you have in front of you is our complement. Our complement is 290 individuals, 202 sworn and 88 civilians. As you can see it's remained that for a couple of years. We did pick up four part-time parking control officers which indicates the difference between the 288 and the 290. The next page shows the budget FY01 and FY02, our request to the Mayor and the Mayor's response. As I go down the left-hand columns I'd like to point out that the salary line item is 75% of our budget. Our budget is made up of 20% of benefits and 5% in the area of operating expenses, the capital as you can see is almost negligible it's a very, very small percentage. We've worked real hard to keep the number down. Our initial request did include a couple of things and one is an additional five police officers...we looked at our complement and compared

it with communities throughout the northeast, compared it with the number of sworn police officers in those communities and applied the FBI standard and determined that we are very short on personnel and it would be difficult for us to continue to get the job done based on response times, based on the number of calls for service, the increase and more complex type of calls going on and we're going to talk about that in a minute, but I'd like to first talk about capital and expenses. We've developed a chart that shows the four-year trend starting first with the expenses you'll see that in FY2000 our expenses were \$914,266, it went down for two years and this year's is \$923,065...we think it's a very reasonable number that will allow us to get the job done. Once again, that number represents only five percent of our budget. Now, the capital once again, is almost negligible...it's gone down the last two years, it's up this year by \$2,500...the reason it's up is we're looking at doing maintenance on our bikes, we have 20 bicycles that are badly in need of repair and we are also looking for some furniture. We have people sitting in our chairs in the communications rooms and at the front country 24 hours-a-day and those items badly need to be replaced. I spoke about two areas that I'd like to address with you. I would call them critical public safety needs. The first is our desire and the community's need to have five additional police officers. We put together a plan over the next five years that would give us five police officers a year over the next five years; that still leaves us short of what the FBI says a community our size should have and I'll show you that in a little chart in a minute, but the cost of five additional uniformed police officers is \$267,000 with the salaries and benefits. There is a grant opportunity available now making the assumption that the City decided to apply for the grant, move forward with that...the local cost would be about \$120,000 for the first year. As you know, those grants are graduated so the cost will go up next year and the year after that probably the City would pay the full boat. Once again calls for service, response times, the level of violent crime...all of that certainly, in my opinion, warrants five additional police officers for the City of Manchester. The next slide is a pretty interesting one. The FBI on national standards say that a police department should have 2.4 officers per 1,000 residents. If you look down at Boston, Hartford, Bridgeport, Connecticut; Providence, Cambridge, Fall River, Portland, Worcester, Portsmouth...they all have a significant number of police officers or significantly higher ratio than Manchester at 1.8. We're significantly below the national average, if in fact, we did hire five police officers a year for the next five years we would still be something in the area of 2.1 or 2.2 and I think that that is just very revealing, it's something that the City has to seriously consider within a very short time. The second public safety need is our need for police vehicles. You'll find it interesting to note the first line there that the Police Department drives 1,178,615 miles a year; that is documented miles; that is what we drove between April 2001 and April 2002. If you do the quick math, you'll find out that's 3,200 miles a day; that is a lot of mileage in a lot of different types of weather and that's speedometer mileage; that is not somebody sitting in those cars wearing them out 24 hours-a-

day, it's not engine time; that is simply speedometer miles...those cars, most of them, run 24 hours-a-day. We are badly in need of vehicles. The next slide will show you how the City has purchased vehicles. You can see in FY95 we purchased one vehicle and in FY96 we purchased 12 vehicles. Some of you probably remember...I'm not sure, I think the name of was the Lutz Report, it was done 10 or 12 years ago...they recommended that the City for the Police Department purchase 10 vehicles a year. I think probably if you average this out you'd find out that we are significantly below that, but you'll see that as a result of purchasing one vehicle in 1995 then in FY97 the City purchased 20 vehicles. Twenty vehicles probably then was something in the area of \$450,000, I would suspect, the next year they purchased none and you can see that since 1999 we have decreased the number purchased. But, this year FY2003 there are no vehicles scheduled to be purchased for the Police Department; that's perplexing...I don't know how we can survive if in fact that occurs. The blue figures on top of vehicles that we purchased through grants...those vehicles are in addition to the compliment of vehicles that we presently have. We can't use grant money to supplant the money that the City uses, but we'd certainly ask you to seriously consider taking a real hard look at the number of police vehicles. The last slide is revenues...we think that the revenues that we've worked out with the Mayor's Office are realistic, you'll see that they're down in FY03...the projection, but there are pretty good reasons for that. One is the Saturday parking, the second is parking until 10:00 AM which was included in FY2002, we no longer handle alarms or dog licenses...they're done by the City Clerk's Office. So, we think that those are pretty good numbers as you go down through and we think we'll be able to meet those revenue numbers. I know I went fast and I tried to do that and I hope if you have any questions we can answer them.

Alderman Wihby stated your request of \$14 million...you had better numbers than we had as far as figuring out what benefits were, for instance, you actually took the people and put the numbers in for 2-person and family and all that stuff, is that your number...the \$3.818 million is that your number or the Mayor's number.

Chief Driscoll replied that is our number but it also includes the benefits for those five police officers that we've requested.

Alderman Wihby stated and the salary does too then.

Chief Driscoll replied yes it does.

Alderman Wihby stated that is where the difference is between the Mayor's number. Have you calculated what the Mayor's two columns would mean if you didn't have those five officers and you kept the same amount, is that those two to the right numbers and are the benefits the right number?

Chief Driscoll asked for clarification.

Alderman Wihby reiterated in the past you took every single position that you had and you put down the plans that you had and you had your actual number rather than just calculating a 30% increase like we used to always do, you had an actual number.

Chief Driscoll replied yes, we did.

Alderman Wihby asked using the Mayor's number is that a right number without those five people in it?

Chief Driscoll replied yes it is.

Alderman Wihby stated so you're not worried about...if you don't get the additional people the benefits number is right.

Chief Driscoll replied yes; that number is based on the salary number, the contractual raises, the longevity and an increase in overtime for the Verizon Wireless Arena.

Alderman Wihby asked so you're happy with the Mayor's number...the salary and benefits if you don't get those five positions. If you get the five positions you want to go to your column.

Ms. Rooks replied we're still short because we reallocated the overtime.

Chief Driscoll stated yes we are.

Alderman Wihby asked did I hear you're short?

Chief Driscoll replied it depends. We can live with the Mayor's number in the salary line item.

Alderman Wihby stated the other question is there are no cars at all, zero cars?

Chief Driscoll replied zero cars at this moment.

Alderman Gatsas stated where Alderman Wihby was trying to come from is if you look at your benefit line from '01 and you look to '02 that's about a 21% increase in your benefit line. If you look at your benefit line from '02 to the Mayor's '03 number it's about a 105 increase.

Chief Driscoll stated yes. I think that...I'm fairly confident that the numbers are right, I think the reason the 21% increase, if that's what it is, is a result of we picked up a lot of grants last year.

Ms. Rooks stated the FY01 number is an actual number. If you look at FY02 that is a budget number, if you look at the actual breakdown that was given to you...the 13 page booklet you'll notice that the actual number, for example, the CGL Insurance was \$260,000+ back in FY01. In FY02, the estimate was \$56,000. There are several of these things that have happened for various budgets. We took the actual numbers given to us by HR and that added up to the \$3.818 million including the small amount of salaries for the five officers. So, the big difference is you're seeing between '02 and '03 are things coming out of there that are not estimated as high as they were actually back in '01 and I can't answer as to why.

Alderman Gatsas stated so that is tab 16 in the big book, is that correct. So, you're taking me down to line 0521...that number is a \$2,000/\$2,800 reduction.

Ms. Rooks replied yes.

Alderman Gatsas stated that's a \$2,800 reduction or increase, I'm sorry.

Chief Driscoll stated my knowledge of the intricacies of the benefits, I'm sure, are much less than Dawna Rooks, the lady sitting next to me, but I would tell you that the FY2000 number, the difference between that and the Mayor's number is about \$70,000 and that's the benefits for those five officers, if that's your question.

Alderman Gatsas stated I'm saying if we're talking about a 20% increase in medical insurance or 18% you're only showing me a 10% increase in your benefit line.

Chief Driscoll replied we're simply using the numbers that were provided by HR.

Mr. Robinson stated the health benefit lines for the Police Department increased 24%...2002 to 2003.

Alderman Gatsas stated so what you're saying is there are other things that decreased then.

Mr. Robinson replied that is correct. For example, *Police State Retirement* decreased \$96,000...that's a benefit.

Alderman Wihby asked is that in the book?

Mr. Robinson replied yes it is.

Alderman Gatsas asked how would there be a reduction there?

Mr. Robinson asked are you asking me that question?

Alderman Gatsas asked how would there be a \$96,000 reduction in the retirement?

Ms. Rooks interjected it was coming strictly from HR.

Chairman O'Neil asked, Mr. Tawney, can you answer that question for us?

Mr. Tawney replied in the *State Retirement* the State did away with the administrative fees that they used to charge us which was .3%.

Alderman Gatsas stated so if I looked at the actual expenditure of '01 in that book of \$516,931, so if I subtract that #5 out it should be somewhere around 501...is that what you're telling me? If it's 3%...

Mr. Tawney stated I'm just saying that is where some of the decrease came from, I have not run the numbers, I don't have anything to run the numbers.

Chairman O'Neil asked are you all set, Alderman Gatsas?

Alderman Gatsas replied I guess.

Alderman Wihby stated the benefits numbers in the Mayor's numbers and he's assuming an increase of 18%, did they get all of those numbers from you? You actually went down and put whose in what department and one plan, two plans, family plan...

Mr. Tawney replied HTE automatically tracks everybody's benefit, where they are and when we run the payroll projection for the budget it takes a snapshot and this year was in December took a snapshot of where everybody was at exactly that moment, captured that and with that we built the number that was given to us by Anthem of 18% and 6% that was given to us by Delta Dental and plugged those numbers in.

Alderman Wihby stated so if there is a mistake in the number it's not anybody missing but rather because it's a 20% increase instead of an 18%.

Mr. Tawney replied that is correct.

Alderman Thibault in reference to page 2 you have a Manchester Police Department request of \$102,000 and the Mayor is proposing \$8,000.

Chief Driscoll stated yes, we put in two things. One is a \$9,000 line item for furniture for our building, the second thing we put in is \$85,000 for a computer, a new server for our computer system neither of those were funded and the figure that we ended up with is \$8,000.

Alderman Thibault stated you have nothing in there for cars this year again.

Chief Driscoll replied it doesn't go in that line item, it goes under CIP, Sir.

Alderman DeVries stated I would like to cover a little bit of territory on your grant process for this year. You did mention within your report that there was a grant opportunity for all five of the uniformed officers that you had put in for.

Chief Driscoll replied that is correct.

Alderman DeVries stated you were indicating that this coming year the City side cost would be \$120,000, okay. So, can you explain a little bit more on that grant and as well could you touch base on any other grant opportunities that would be lost to us.

Chief Driscoll stated we have a number of grants now...some of them are cycling through. The grant that I am referring to or did refer to was something called the Universal Hiring Program. It's out of the COPS Office in Washington, the City has taken advantage of it perhaps three or four times in the past. What the COPS Office does is...it's a three-year grant and it pays up to \$75,000 per police officer over a three-year period. Obviously, with the salaries in our community the \$75,000 doesn't go over three years...most of it is used the first year...you can pay only up to 75% of the officer's salary...there has to be a 25% match by the community. When I asked this afternoon for them to give me a number that it would cost...it's \$269,000 (I think) is the total for benefits and salaries for five officers for a single year of which all of it would be paid with the exception of \$120,000 or a number very close to that; that's a ballpark number.

Alderman DeVries stated so you're saying that that first year 75% match is only for your salary line item, not inclusive of benefits.

Chief Driscoll stated it could be used for that.

Alderman DeVries stated so it's possible that first year that number could be even less.

Chief Driscoll stated no, I don't think so. I think that if you say that the total grant amount is \$225,000 over three years and then you say that we can only take 75% of that...

Alderman DeVries interjected okay, I'm with you. Other grants that might be jeopardized...

Chief Driscoll stated there are no grants available at this moment that I know of that will pay for personnel. We're very hopeful, once again, that we'll get an equipment grant and that's why when you see over the years that our capital expenditures have been so low it's because we've been so successful in achieving grants. We did get some information from the Mayor's Office that they are going to use a new formula...once again, I think if anybody in New Hampshire Manchester will be recognized as well or better than anybody else.

Alderman DeVries asked when you report back to us will you specifically point out any grant problems that you may have when you're looking at your results.

Chief Driscoll stated absolutely. We always bring our grants to the Board because the Mayor and the Board have to approve them and sign off on them.

Alderman Shea stated just to follow-up on that, Mark. Instead of having five can you have one, two, three.

Chief Driscoll replied absolutely.

Alderman Shea stated that would proportionately cut down, but it's a 75%/25% ratio. The second question and I'm not sure if you've calculated...we're paying a lot of overtime to Verizon for different projects. Can you tell me how much overtime we paid for overtime to help out with...having to do with the Verizon?

Chief Driscoll replied I can tell you we projected \$187,000 for the period of time during this fiscal year that the Verizon Arena was opened.

Alderman Shea stated that is in overtime.

Chief Driscoll replied yes, Sir; that is parking control as well as the police officers working outside the curb line.

Alderman Shea stated so we're paying \$187,000 in overtime for the police and Frank Thomas said today that we paid roughly \$42,000...that's over \$200,000 in overtime for services that we rendered to the Verizon and we don't get anything back.

Chief Driscoll stated I don't know about Highway but that's the accurate number and I think the projection is pretty good. We expect that number to be close. Probably that number will be a little high and as a result of the fact that we cut back on the parking from eight at night to ten at night as well as the Saturdays... so, probably that number will be more than is needed, but that was only for a portion...like nine months of the year.

Alderman Shea asked so next year how much are you projecting in overtime?

Chief Driscoll replied \$216,000.

Alderman Shea stated \$216,000 in overtime to Verizon.

Chief Driscoll added and parking.

Alderman Shea stated wow, this is suppose to help the City, you know.

Chief Driscoll stated trust me, it does. The Verizon has been a wonderful thing for the community.

Alderman Shea stated it's wonderful for the police overtime too, right.

Chief Driscoll stated you can look at it that way or you can look at it...Alderman, I can tell you that I have received an extraordinary amount of very complimentary letters and phone calls that visit our community and are just so pleased with the job that the City does in presenting the...

Alderman Shea asked how were those letters helping the taxpayer?

Chairman O'Neil interjected that's not a fair question for the Chief.

Alderman Shea stated no, but I'm asking. What I'm trying to get across here is that we're paying (literally) hundreds of thousands of dollars to Verizon for City services and we're getting nothing back. In other words, as a community we should be getting some revenues back but already there's two departments that have appeared before us and we're paying overtime for Highway and for Police to the tune of about \$200,000...we're getting letters back, people are coming in from out-of-town, but in essence...

Chief Driscoll stated I think there are things that are...

Alderman Shea stated excuse me but I'm reflecting what my taxpayers in Ward 7 are saying to me when they call me. I'm their spokesperson, they want more money back from the Verizon, more money to help with the tax rate; that is what they are trying to find out. But, if we're paying all of this money out for taxes we're losing revenues that we can't...in other words, your department, Mark, the men there are overtime but we're spending that money and in essence how much money too are we spending to supervise and help out with the Downtown area for different problems that I'm reading about in the newspaper that are existing Downtown.

Chief Driscoll stated it's my opinion that although some of those things aren't as tangible as revenue the impact of the Verizon Arena and the police officers Downtown have helped the whole economy, they've made it a wonderful place for people to come and visit and I think that for the money that's been spent and I don't speak for Highway, but by the Police Department or by the City to improve the quality of life Downtown has had a significant impact and I think you've got good value for your money, Sir.

Alderman Shea stated basically if we project the cost of overtime for the police over the next ten years we'll be spending almost \$2 million just for police supervision. My point is that the cost is going to escalate over the next ten years and although it's a wonderful place to come and visit, still and all we have...as people responsible for the tax rate in the City, we have to be accountable to the people who are paying the taxes, that's all I'm saying. Thank you.

Alderman Lopez stated I think maybe Wayne if you could help us out on this. I don't want to leave the impression that the total cost...that it's costing the Chief or anybody else...Highway...that it's simply tax dollars because all that was built into the parking revenue...and could you help us out on that, Wayne.

Mr. Robinson stated the offset to all of these expenses would have been parking revenue, so based on last year's budget it would have been a surplus to the City for Verizon expenditures.

Alderman Lopez stated I wanted to bring that point out because even though they show the cost of overtime police officers of \$190,000 that was already projected in revenue coming in from parking. So, there's an offset there, it didn't cost the taxpayers...

Mr. Robinson replied that is correct.

Alderman Shea asked didn't we get less revenues from parking than we anticipated?

Mr. Robinson replied yes and that was due to the cutback on Saturdays and cutting back on the hours to eight o'clock.

Alderman Shea asked how much less in revenues did we get from what we anticipated?

Mr. Robinson replied the year's not finished yet, but...

Alderman Shea asked what do you anticipate?

Mr. Robinson replied that might be better answered by Finance, but I think it's probably close to a million dollars.

Alderman Lopez asked, Chief, on the capital improvement isn't there some money there for your firing range, is that all done yet?

Chief Driscoll replied no, it's not. There was \$300,000 left in the Police Department Building Fund. We came to the Board and spoke with the folks at CIP and that money has been allocated to the range and is progressing well. The demolition is going to start pretty soon and I hope the construction phase...I ask at staff meetings when will the first shot be fired and they tell me hopefully by the end of the summer. So, that project is progressing well, Sir.

Alderman Lopez stated the \$491,000 in '03 for School chargebacks...has that been confirmed for the schools.

Chief Driscoll replied our people met with Ron Chapman and they agreed upon that figure.

Alderman Forest in reference to vehicles asked how old are your vehicles now, the marked cruisers.

Chief Driscoll replied I can't tell you I don't have that information with me, I would say that some of them...well, it depends some of them are four years old, some are three years old, some are two years old. But, it doesn't take long to run up the mileage.

Alderman Forest stated most of the marked vehicles run pretty much 24 hours a day with the exception of when they change officers.

Chief Driscoll replied yes they do.

Alderman Forest asked if you don't get the money for the cruisers...what are we talking about, ballpark figure, what are we talking about keeping these cars running for another year or whatever?

Chief Driscoll replied that is hard to project. As you know we buy 100,000 mile warranties, so when we wear out a car it's probably got 100,000 on the speedometer and probably engine time it might have 200,000 miles on it and the body has a year or a year and a half or two years with people sitting in it, driving it 24 hours a day. I would also tell you that it is not only marked cars that I'm concerned about, but the investigators cars are getting along in age too and I really fear if the Board doesn't do something significant this year that it's going to continue to build a bigger deficit than we have already.

Alderman Forest stated I know you have some pretty good mechanics over there but would that put officers in a hazardous position with some of these cars that they're not replacing. I'm sure you wouldn't put them on the road if they were hazardous, but I know again through experience that when Harry LaFond was there that he kept some of them with duct tape and all that stuff.

Chief Driscoll stated you touched on the biggest issue that as the cars become older and the warranties run out, the mileage run up we start to do transmissions and rear ends and all of the significant components that become very expensive.

Alderman Forest stated it could become a safety issue.

Chief Driscoll stated no question.

Alderman Guinta asked, Chief, how often should the cars be replaced.

Chief Driscoll replied it depends upon the mileage, how often, I would say when they get 100,000 to 110,000 miles on them, somewhere right in there.

Alderman Guinta stated that takes about a year or less than.

Chief Driscoll stated it depends on the folks in the garage...like Alderman Forest said do a great job moving the cars around. We have some high mileage routes and the inner City routes are lower mileage because you are going around blocks all the time. The South end and North end are big mileage routes so they change the cars back and forth. If you take the mileage, the 1,100,000, you would find out

that...if you figured a car speedometer mileage is worth about 100,000 miles, that alone would tell you that somehow you have to replace about 10 cars every year.

Alderman Guinta stated and you mentioned the ratio of officers to population. Do you by chance have or could you have the figures that show Manchester's crime rate in relation to the other nine cities to give us an understanding of how...I am wondering if ours is a little bit lower because our crime rate is lower.

Chief Driscoll replied I would suspect that our crime rate is lower than many of the cities there. Could I get that? I probably could have our crime analyst dig that out for you.

Alderman Guinta asked now this is just an FBI standard based on a national average, not what they suggest right. Do they create a suggestion or provide a suggestion?

Chief Driscoll answered yes and it is 2.4 officers per 1,000.

Alderman Guinta asked is that what they say we should have.

Chief Driscoll answered that is not what they say we should have, that is the national average.

Alderman Guinta asked does the FBI put out a statistic that says what each police department should have.

Chief Driscoll replied I am not sure I follow your question. What Manchester should have?

Alderman Guinta responded no just police departments in general. Does the FBI suggest that this is the optimal rate?

Chief Driscoll replied yes, 2.4.

Alderman Guinta responded no that is what the national average is.

Alderman O'Neil stated no that is what they recommend. You should have 2.4 police officers for every 1,000 residents in the community.

Alderman Guinta stated okay so they recommend we have 2.4 per 1,000 and we have 1.8. It looks like just about everybody else is higher.

Chief Driscoll stated I am told that that is a national average and they don't make a suggestion as to what you should have.

Alderman Guinta asked do you know where Nashua falls.

Chief Driscoll answered no I don't.

Alderman Guinta stated the only other question I have is how many substations do we have in the City and how many should we have.

Chief Driscoll answered we have three plus two at MHA. I think we have the right number for the community.

Alderman O'Neil stated the Board has requested the scenarios for 2%, 3%, 4% and 5% cuts is that correct. So, if you could get back to the Board at your earliest possible convenience we would appreciate it.

Chief Driscoll replied I will do that.

Alderman O'Neil stated thank you for your presentation.

Alderman Garrity stated earlier in the night I asked the Schools to come back with 2%, 3% and 4% cuts but realizing that we only approve the bottom line I don't think that is necessary. It is up to the School Board as to what cuts they are going to make so I would take the School Department out of that scenario.

Fire Department:

Chief Kane stated salaries are 94.5% of our budget with 4.6% of our budget for operating costs. The next slide that we have here, as you can see the majority of the budget here is in the salary lines. The second area is benefits. The third area down is operating expenses. The last area is a small area of \$25,000 in capital. The next slide here is revenue budget by year. As you can see, the first year that we have there is 2001 and that is an actual. The next line, 2002, is our projected for this year and 2003 is projected for next year. Our next slide is revenue by category. As you can see the bottom line on the total, the revenue for 2001 was \$305,000. The revenue for 2002 is \$270,000 and we are projecting an increase of \$24,000 this year. That is the slide presentation we have. We tried to keep it brief. What I would highlight is the budget that we worked on with the Mayor basically is a flat budget. The salary line increase is basically what was worked out with HR. Our benefits were also worked out with HR and those kind of represent the figures that were presented to them. All of the other line items that we have are flat from last year.

Alderman O'Neil asked under administration why is the benefit number so out of whack with salaries.

Chief Kane answered because under that line we carry worker's compensation for the entire department - \$365,000. That is why that line is out of whack.

Alderman O'Neil asked would it be possible to get copies of this to the Board in the next few days.

Chief Kane answered yes. I apologize for the Board not having it this evening. I was under the impression that they did. We certainly will get it to all Board members first thing in the morning.

Alderman Wihby asked regarding the revenue how come it went down from 2001 to 2002. What was that big decrease there? It looked like user fees.

Chief Kane answered basically the boost that you see in 2001, that is the actual figure that came in. What we did in that year was collected more money than we actually expected and that is why that number is so much higher.

Alderman Wihby asked why wouldn't you get the same fees the following year.

Chief Kane answered there are a couple of areas. One area was emergency management. There was \$12,000 there that didn't come in.

Alderman Wihby asked this year it won't come in.

Chief Kane answered we are working with them right now. We are trying to boost that up.

Alderman Wihby asked are you figuring in the \$294,000 number anything for them.

Chief Kane answered no.

Alderman Wihby asked what was the other area.

Chief Kane answered I would have to give you an actual reason why that first year was higher.

Alderman Wihby stated you projected \$270,000 for this year. Are you expecting more than \$270,000 this year?

Chief Kane replied yes.

Alderman Wihby asked do you expect to get up to the \$300,000+.

Chief Kane answered we expect to get close to that figure. Our current...we are projecting \$270,000 but currently as of March 1 we have \$272,000. We would anticipate that that number is going to jump up.

Alderman Guinta asked can you tell me who your worker's compensation carrier is. You said that you pay it yourself, right.

Chief Kane answered no. Our worker's compensation is through the City. HR does our worker's compensation.

Alderman Guinta asked can you explain to me why...I didn't understand your answer then earlier when you told Alderman Wihby why your benefits are so much higher in relation to salary. You mentioned worker's compensation. Can you just explain that to me?

Chief Kane answered the question, if we can go back to that slide, was why are the benefits in Administration as we break that down by categories, higher. That is because under that division that is where we carry that benefit. It is a matter of where do you put the money and those are divisions of the department.

Alderman Gatsas stated when I look at the Administration side and see that wages are \$345,000 and benefits are \$592,000 that is just a function of...

Chief Kane interjected accounting.

Alderman Gatsas asked of that number.

Chief Kane answered of that number \$365,000 is worker's compensation for the entire department, not just Administration.

Alderman DeVries stated there is an initiative that you and I spoke back in February about that will be forthcoming with the impact probably realized next year or the year after. The NFPA 1710 provision, which will bring with it a need for increased manpower. Can you tell us where you are on that provision to date?

Chief Kane replied yes I can at least as I understand it. 1710 is a standard. It is a national standard that was adopted for manning of apparatus and also response

times. It is a standard that was set by the National Fire Protection Association last spring or last summer. The question is where do we fit in that standard. Our fire trucks for the most part we man with two or three firefighters. The standard that Alderman DeVries is referring to, 1710, requires four firefighters on a fire truck so as you can see where we are with the standard is that we are short from the standard and it would take quite an effort to get up to that national standard. What we are doing in regards to it is there are reports coming out on the standard and there are interpretations of the standard coming out. We are going to look at that and see if we can develop a plan to somehow get there but at this point in time we are short from the standard in two areas. One, the manning. We don't have four firefighters on a fire truck and the other area is response time but I think that once we get the new station up on line that will take care of the response line.

Alderman DeVries asked so it is fair to say that this year you are going to use to develop a plan on how the department may comply with NFPA 1710 so by this time next year there would be a more comprehensive plan on how you would come into compliance if that is the requirement to meet the national standard.

Chief Kane answered I think what we are going to do is we are going to look at different national organizations that put out reports so that we can better understand what the standard says and then develop a theory. Are we going to have an actual game plan by this time next year? I guess what we will say is that we are going to have to take a look at the reports as they come out to see what we can do. Would it be a game plan? Would it be a plan of action? I am not really sure. I think the first thing on our agenda is the new station in the Southeast section of Manchester.

Alderman DeVries stated I believe about three or four weeks ago when we were at a Committee meeting Alderman O'Neil actually had asked you to discuss grant opportunities with the Mayor. Can you give us some feedback as to what those discussions brought forth as far as the first round of grants that might have been available to the department or future rounds of grants if we missed on that one?

Chief Kane replied in regards to grants, the fire service has a limited opportunity to get grants. We get some grants from Emergency Management. I believe we have one coming up tomorrow night in CIP for approval. We also did submit another grant to Emergency Management for some operational stuff with Seabrook. On the national level there is a thing that is called fire grants. We have applied to them to get some equipment from a fire grant. This is only the second year that the fire grant has been in existence and they are very short on money. I believe there is something like \$3 billion worth of requests and there is \$900 million available this year. Last year there was only \$100 million available. We are hoping that we will get a little bit of that but that is the fire grant money. The

next set of monies that could be available would be the Homeland Security money that they are talking about. There is \$3.7 billion worth of money there and we are hoping to look at acquiring some of that. They haven't developed a program at this point in Washington in regards to that money and how you apply for it and what the money could be used for.

Alderman DeVries asked the first round of fire grants that you did apply for some equipment could you specify what it was you applied for. Was that any of the new equipment needed for our new station?

Chief Kane answered the first year we applied for a brush truck and also forest fire...

Alderman DeVries interjected I am sorry that was last year you applied for the brush truck or this current year.

Chief Kane replied actually both years. If that came through, we would have used that in the Southeast section of Manchester in the new fire station.

Alderman DeVries asked when will you hear on the results of this round of fire grants.

Chief Kane answered I believe it is in June.

Alderman O'Neil asked would you utilize the services of a grant writer in the City if one was available to you.

Chief Kane answered certainly. We have some very talented people on staff who are very good with that but obviously if you have a person who does that full-time they may be a little bit better prepared at doing that. Our grant opportunities are very small though, not like some other departments. We just don't have that opportunity for grants.

Alderman O'Neil asked but you would take advantage if there was a grant writer available to you X number of hours per week. You would take full advantage of that?

Chief Kane replied sure.

Alderman Shea stated the other two departments indicated that they had allocated so much money for overtime for Verizon. Did you people have that expense as well?

Chief Kane replied the Fire Department allocates no money for overtime. We are there at Verizon for different venues. The person who is running the venue is responsible for all of that money.

Alderman O'Neil stated, Alderman Shea, any City services inside the curb line, the arena pays for. It is the services outside the curb line that cost us money.

Alderman O'Neil stated Chief you do know that we need some scenarios on 2%, 3%, 4% and 5% cuts.

Chief Kane replied correct. Can I ask one question in regards to that because I know that in the past years we have done it a little bit different? That percentage cut is based upon the bottom line with benefits or without benefits?

Alderman Wihby responded with benefits.

Alderman O'Neil stated with benefits and just for the record we would like to welcome Deputy Chief's Albin and Martel and they brought in the hired gun, Commissioner Varkas, with them.

Chief Kane stated I would like to thank Commissioner Varkas for spending the evening with us. He is a great supporter and the Chairman of our Board.

Alderman O'Neil stated before we wrap up is it the Board's intent that they want to bring all departments in and if it is then Carol has to do some serious scheduling in a very short time.

Alderman Smith stated I would recommend it. We might have some small departments but I would like to speak to Risk Management as soon as possible.

Alderman Shea stated I think it was brought up in discussion with the other Aldermen that if we are going to ask different departments for reductions then it is only fair that they be here to present their budgets to us and then we act accordingly.

Alderman O'Neil asked couldn't they just send it through the courier instead of having them come in.

Alderman Shea answered if they feel comfortable about doing that, sure.

Alderman Sysyn stated I don't think we need all of the departments.

Alderman Lopez stated I suggest that they submit it to us and if any Alderman would like to have them come here or the department head would like to come here and explain something, I think that would be reasonable.

Alderman O'Neil stated we need to address salaries, benefits and risk. Those are the three big items and we certainly can have...I believe the HR Director is going to be making a recommendation to the full Board next Tuesday night with regards to health benefits. That is my understanding. We probably need to have Risk in and Carol will need to schedule that. What do we want to do with regards to salaries? We are not going to know that until contracts are negotiated, correct?

Alderman Shea stated I think that part of the problem is that if different departments don't realize the gravity of the situation and all of the sudden they are hit with a 4% reduction in what they asked for it might not...in other words they should be prepared that there may be a reduction in their operating expenses.

Mr. Robinson stated as part of developing the Mayor's budget we already went through this exercise. We can get you the answers tomorrow. We already know what a budget cut will mean through 5%. It is not 2%, 3%, 4% and 5%. I think it was 1%, 3% and 5%.

Alderman Shea asked so basically the department heads know that as well so it is not going to come as a surprise.

Mr. Robinson answered not at all.

Alderman O'Neil stated so we want Carol to schedule a meeting with Risk and bring Harry in. We know that Ms. Lamberton is going to be making a recommendation to the Board by May 21 and salaries we don't know until we settle contracts, which is hopefully soon.

Deputy Clerk Johnson stated I am just not clear as to who the Board wishes to meet with. Is it just the Risk Department at this point?

Alderman O'Neil replied apparently at this time that is all we can meet with.

Deputy Clerk Johnson asked are you asking us to also have the 2%, 3%, 4% and 5% cuts from all departments rather than taking what the Mayor's information is. Do you want us to go to all of the departments and ask them to respond to the 2%, 3%, 4% and 5%?

Alderman O'Neil answered I think we need to go to the departments.

Deputy Clerk Johnson stated what we will do is send it out from the Clerk's Office and try to gather it all in one central location and forward it to the Board.

There being no further business to come before the committee, on motion of Alderman Thibault, duly seconded by Alderman Forest, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee